

**CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1219**

Citations Affected: IC 6-1.1-27-1.

Synopsis: Provisional taxes. Proposed conference committee report to EHB 1219. Establishes temporary provisional property tax billing procedures for a county in which the general reassessment is not completed by the statutory completion date. Requires a county to distribute collections to taxing units in the county within 51 days after the property tax due date. Permits the department of local government finance (DLGF) to adopt emergency rules before January 1, 2005. Adds a provision concerning temporary borrowing by school corporations. **(This conference committee report adds to the temporary provisional property tax billing procedures: (1) specific procedures for giving public notice of provisional statements; (2) emergency rulemaking authority for the DLGF to allow the county treasurer to issue provisional statements that reflect new construction; and (3) authority for the DLGF to approve either one or two provisional statement installment due dates in response to a request from the county treasurer.)**

Effective: Upon passage.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1219 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-27-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before
- 4 June 20th and December 20th of each year, the county auditor and the
- 5 county treasurer shall meet in the office of the county auditor. Before
- 6 each semi-annual meeting, the county auditor shall complete an audit
- 7 of the county treasurer's monthly reports required under IC 36-2-10-16.
- 8 In addition, the county auditor shall:
- 9 (1) prepare a certificate of settlement on the form prescribed by the
- 10 state board of accounts; and ~~he shall~~
- 11 (2) deliver the certificate of settlement to the county treasurer at
- 12 least two (2) days before each semi-annual meeting.
- 13 (b) If any county treasurer or auditor refuses, neglects, or fails to
- 14 distribute tax money due to a tax unit on or before the ~~first~~ **fifty-first**
- 15 ~~day of the month~~ immediately following the ~~appropriate settlement~~
- 16 ~~each property tax due date prescribed in subsection (a); under~~
- 17 **IC 6-1.1-22-9 or IC 6-1.1-37-10, whichever applies,** the county
- 18 treasurer and auditor shall pay to the taxing unit from the county
- 19 general fund interest on the taxing unit's undistributed tax money if the
- 20 county treasurer and auditor invest undistributed tax money in an
- 21 interest bearing investment. The amount of interest to be paid equals
- 22 the taxing unit's proportionate share of the actual amount of interest

which is received from investments of the undistributed tax money from the ~~second fifty-second~~ day of the month immediately following the appropriate settlement **property tax due date under IC 6-1.1-22-9 or IC 6-1.1-37-10, whichever applies**, to the date that the tax money is distributed.

SECTION 2. [EFFECTIVE UPON PASSAGE] (a) **The definitions in IC 6-1.1-1 apply throughout this SECTION.**

(b) **For purposes of this SECTION:**

(1) **"commissioner" refers to the commissioner of the department of local government finance;**

(2) **"provisional statement" refers to a provisional property tax statement under subsection (c);**

(3) **"property taxes" include special assessments;**

(4) **"reconciling statement" refers to a reconciling property tax statement under subsection (g); and**

(5) **"tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits.**

(c) **With respect to property taxes payable under IC 6-1.1 on assessments determined for the 2002 assessment date, the county treasurer may use a provisional statement under this SECTION if the county auditor fails to deliver the abstract to the county treasurer under IC 6-1.1-22-5 before March 16, 2003. The provisional statement must:**

(1) **be on a form approved by the state board of accounts;**

(2) **except as provided in emergency rules adopted under subsection (p), indicate tax liability in the amount of:**

(A) **fifty percent (50%); or**

(B) **subject to subsection (o), if the county auditor requests in writing that the commissioner approve a greater percentage not to exceed seventy percent (70%), the percentage approved by the commissioner;**

of the tax liability payable in 2002 for the property for which the provisional statement is issued;

(3) **indicate:**

(A) **that the tax liability under the provisional statement is determined as described in subdivision (2); and**

(B) **that property taxes billed on the provisional statement:**

(i) **are due and payable in the same manner as property taxes billed on a tax statement under IC 6-1.1-22-8; and**

(ii) **will be credited against a reconciling statement;**

(4) **include the following statement:**

"Under Indiana law, this provisional statement is sent to property owners in counties that elected to send provisional statements because the county did not complete the general reassessment of real property before March 16, 2003. The statement is due to be paid not later than (insert date). The statement is based on (insert percentage) of your tax liability for taxes payable in 2002. After the general reassessment of real property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes

payable in 2003, minus the amount you pay under this provisional statement. The due date for taxes under the reconciling statement will be after November 9, 2003.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

eligible to appear on the tax statement under IC 6-1.1-22-8 for the May, 2003, installment of property taxes; and

(6) include any other information the county treasurer requires.

(d) Property taxes billed on a provisional statement are due:

(1) in one (1) installment on June 15, 2003; or

(2) if the county treasurer requests in writing that the commissioner designate one (1) or two (2) installment dates, on the date or dates designated by the commissioner.

(e) If a provisional tax statement is used:

(1) notice of the provisional statement, including disclosure of the percentage of the tax liability payable in 2002 to be used in determining the tax liability to be indicated on the provisional statement under subsection (c), shall be published one (1) time:

(A) in the form prescribed by the department of local government finance; and

(B) in the manner described in IC 6-1.1-22-4(b); and

(2) IC 6-1.1-22-4 applies to the reconciling statement.

(f) As soon as possible after the receipt of the abstract referred to in subsection (c), the county treasurer shall:

(1) give the notice required by IC 6-1.1-22-4; and

(2) mail or transmit reconciling statements under subsection (g).

(g) Each reconciling statement must indicate:

(1) the actual property tax liability under IC 6-1.1 on the assessment determined for the 2002 assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(h) Taxpayers shall make all payments under this SECTION to the county treasurer. The board of county commissioners may authorize the county treasurer to open temporary offices to receive payments under this SECTION in municipalities in the county other than the county seat.

(i) Not later than sixty (60) days after the due date of a provisional or reconciling statement under this SECTION, the county auditor shall:

(1) file with the auditor of state a report of settlement; and

(2) distribute tax collections to the appropriate taxing units.

(j) If a county auditor fails to make a distribution of tax collections under subsection (i), a taxing unit that was to receive a distribution may recover interest on the undistributed tax collections at the same rate and in the same manner that interest may be recovered under IC 6-1.1-27-1(b).

(k) IC 6-1.1-15:

(1) does not apply to a provisional statement; and

(2) applies to a reconciling statement.

(l) IC 6-1.1-37-10 applies to:

(1) a provisional statement; and

(2) a reconciling statement;

in the same manner that IC 6-1.1-37-10 applies to an installment of property taxes.

(m) For purposes of IC 6-1.1-24-1(a)(1):

(1) a provisional statement is considered to be the May 2003 spring installment of property taxes; and

(2) payment on a reconciling statement is considered to be due before the May 2004 installment of property taxes is due.

(n) IC 6-1.1 applies to this SECTION to the extent IC 6-1.1 does not conflict with this SECTION.

(o) The commissioner may approve different percentages for different classes of property in response to a request under subsection (c)(2)(B).

(p) For purposes of a provisional statement under subsection (c), the department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to provide a methodology for a county treasurer to issue provisional statements with respect to real property taking into account new construction of improvements placed on the real property after March 1, 2001, and before March 2, 2002.

(q) This SECTION expires January 1, 2005.

SECTION 3. [EFFECTIVE UPON PASSAGE] (a) The commissioner of the department of local government finance may designate a rule adopted by the department under IC 6-1.1-31-1(b) as an emergency rule.

(b) Except as provided in subsection (c), IC 4-22-2-37.1 applies to a rule referred to in subsection (a).

(c) Subject to subsection (d), a rule referred to in subsection (a) may be extended for three (3) extension periods referred to in IC 4-22-2-37.1(g).

(d) A rule referred to in subsection (a) expires on the earlier of:

1 (1) the expiration date of the rule under IC 4-22-2-37.1; or

2 (2) December 31, 2004.

3 (e) This SECTION expires January 1, 2005.

4 SECTION 4. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding
5 IC 20-5-4-8(c) and IC 20-5-4-8(d), the amount of principal of
6 temporary loans maturing under IC 20-5-4-8 on or before
7 December 31, 2005, shall not exceed the lesser of:

8 (1) the highest cash flow deficit (not to exceed the amount
9 permitted by Internal Revenue Service arbitrage regulations)
10 estimated by the governing body of the school corporation for
11 the year ending December 31; or

12 (2) eighty percent (80%) of the total approved budget for the
13 fund for which the loan is made.

14 (b) If the governing board of a school corporation determines
15 that an emergency exists that requires an extension of the
16 prescribed maturity date for a temporary loan referred to in
17 subsection (a), the prescribed maturity date may be extended for
18 not more than six (6) months after the budget year for which the
19 temporary loan is made if the governing board does the following:

20 (1) Passes a resolution that contains:

21 (A) a statement determining that an emergency exists;

22 (B) a brief description of the grounds for the determination
23 that an emergency exists; and

24 (C) the date the loan will be repaid that is not more than six
25 (6) months after the budget year for which the temporary
26 loan is made.

27 (2) Immediately forwards the resolution to:

28 (A) the state board of accounts; and

29 (B) the department of local government finance.

30 (c) This SECTION expires July 1, 2005.

31 SECTION 5. An emergency is declared for this act.

(Reference is to EHB 1219 as reprinted April 1, 2003.)

Conference Committee Report
on
Engrossed House Bill 1219

Signed by:

Representative Kuzman
Chairperson

Senator Landske

Representative Ayres

Senator Lanane

House Conferees

Senate Conferees